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H. R. 1870

To strengthen the competitiveness of the United States motor vehicle sector
by creating a Motor Vehicle Industry Competitiveness Commission.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 1993

Mr. LEVIN introduced the following bill; which was referred jointly to the
Committees on Ways and Means, Energy and Commerce, Foreign
Affairs, and the Judiciary

A BILL

To strengthen the competitiveness of the United States motor
vehicle sector by creating a Motor Vehicle Industry Com-
petitiveness Commission.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Motor Vehicle Industry
5 Competitiveness Act”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds the following:

1 (1) A strong United States motor vehicle sector
2 is critical to our international competitiveness and to
3 the health of our industrial base.

4 (2) The United States motor vehicle and motor
5 vehicle parts industries directly employ 1,200,000
6 workers in high-paying jobs, and indirectly support
7 another million jobs in supplier industries.

8 (3) The United States motor vehicle industry
9 accounts for 4.5 percent of the Gross National Prod-
10 uct, 77 percent of the total consumption of the natu-
11 ral rubber industry, 67 percent of the lead industry,
12 40 percent of the machine tool industry, 25 percent
13 of the glass industry, 20 percent of the semiconduc-
14 tor industry, 18 percent of the aluminum industry,
15 and 12 percent of the steel industry. The United
16 States motor vehicle industry also accounts for 12.4
17 percent of all corporate research and development.

18 (4) United States motor vehicle makers have
19 experienced serious financial difficulty over the past
20 several years, with the Big Three losing
21 \$8,000,000,000 in 1991 alone. Hundreds of United
22 States motor vehicle parts companies have gone out
23 of business in the last several years, and tens of
24 thousands of United States motor vehicle parts
25 workers have lost their jobs.

1 (5) The problems facing the United States
2 motor vehicle sector are reflected in the trade deficit
3 of that sector with Japan, which exceeded
4 \$30,000,000,000 in 1991 and accounted for almost
5 half of the entire United States world trade deficit.

6 (6) Despite years of negotiations through the
7 MOSS process, United States motor vehicle parts
8 companies have been excluded from the Japanese
9 market, where they account for less than 1 percent
10 of all sales. This trade imbalance, which has been
11 caused in part by Japanese structural barriers such
12 as keiretsu, poses a threat to the health of the Unit-
13 ed States motor vehicle parts industry, as well as to
14 the many United States industries that supply the
15 motor vehicle parts industry.

16 (7) High health care costs have a significant
17 impact of the competitiveness of United States
18 motor vehicle makers. The Big Three must pass
19 along to consumers as much as \$700 more per car
20 in health care costs than Japanese companies.

21 (8) Worldwide excess capacity in the motor ve-
22 hicle industry of several million units has put further
23 pressure on the United States market and the Unit-
24 ed States motor vehicle industry.

1 (9) Clear, broad-based government economic,
2 trade, health and United States tax policies are
3 needed to improve the competitiveness of the United
4 States motor vehicle sector and to stem further job
5 losses in these industries.

6 **SEC. 3. MOTOR VEHICLE INDUSTRY COMPETITIVENESS**
7 **COMMISSION.**

8 (a) ESTABLISHMENT.—There is established the
9 Motor Vehicle Industry Competitiveness Commission
10 (hereinafter in this section referred to as the “Commis-
11 sion”).

12 (b) FUNCTIONS.—

13 (1) INVESTIGATION AND STUDY.—The Commis-
14 sion shall make a complete investigation and study
15 of the financial condition of the domestic motor vehi-
16 cle sector, including the laws, regulations, and for-
17 eign trade barriers that pose impediments to its
18 competitiveness.

19 (2) POLICY RECOMMENDATIONS.—Based on the
20 results of the investigation and study required to be
21 conducted under paragraph (1), the Commission
22 shall recommend to the President and Congress
23 those policies that need to be adopted to—

24 (A) achieve the national goal of a strong
25 and competitive motor vehicle sector;

1 (B) facilitate the sales of United States-
2 made motor vehicles and motor vehicle parts by
3 improving competitiveness at home and opening
4 markets abroad;

5 (C) reduce the motor vehicle sector trade
6 deficit with foreign countries, particularly
7 Japan;

8 (D) implement an industry-wide health
9 care plan that helps relieve the burden of exces-
10 sive health care costs on the motor vehicle and
11 motor vehicle parts industries; and

12 (E) promote job growth in the motor vehi-
13 cle sector.

14 (3) SPECIFIC ISSUES.—In carrying out para-
15 graph (1), the Commission shall specifically inves-
16 tigate and study the following:

17 (A) The current financial condition of the
18 motor vehicle industry and how the industry's
19 financial condition is likely to change over the
20 next 5 years, including—

21 (i) the profits or losses likely to be
22 achieved by United States motor vehicle
23 sector manufacturers (which term, for pur-
24 poses of this Act, means motor vehicle

1 manufacturers and motor vehicle parts
2 manufacturers) over the next 5 years, and
3 (ii) the market share gains or losses
4 likely to be achieved by United States
5 motor vehicle manufacturers in the United
6 States and key markets abroad over the
7 next 5 years.

8 (B) The foreign barriers to export or for-
9 eign investment by United States motor vehicle
10 sector manufacturers, especially in Japan.

11 (C) The extent to which health care costs
12 impede the competitiveness of United States
13 motor vehicle sector manufacturers.

14 (D) The extent to which the United States
15 tax laws impede the competitiveness of United
16 States motor vehicle sector manufacturers.

17 (E) Whether the Federal Government
18 should take any action with respect to United
19 States trade or antitrust laws to open foreign
20 markets to United States motor vehicle prod-
21 ucts, to open “transplant” facilities in the Unit-
22 ed States to United States motor vehicle parts,
23 or to make the United States motor vehicle sec-
24 tor more competitive.

1 (F) Whether the policies and strategies of
2 the Federal Government have adequately ad-
3 dressed the competitiveness needs of the United
4 States motor vehicle industry.

5 (G) The potential impact of trade agree-
6 ments or trade negotiations on employment in
7 the United States industry.

8 (H) The impact on the competitiveness of
9 the United States motor vehicle industry of the
10 1989 Department of the Treasury ruling
11 classifying multipurpose vehicles as cars instead
12 of light trucks.

13 (I) The impact of agreements involving
14 other countries, including the European Com-
15 munity-Japan motor vehicle market-share ar-
16 rangement, on the competitiveness of the Unit-
17 ed States motor vehicle industry.

18 (J) Whether the Federal Government
19 should take any legislative or administrative ac-
20 tions to improve the financial conditions of the
21 United States motor vehicle industry.

22 (K) The extent to which the manufactur-
23 ing programs of the Federal Government, in-
24 cluding those at the National Institute of Tech-
25 nology, of the Department of Commerce, can be

1 better utilized to make the United States motor
2 vehicle industry more competitive.

3 (c) MEMBERSHIP.—

4 (1) APPOINTMENT.—The Commission shall be
5 composed of 15 members as follows:

6 (A) 3 members appointed by the President.

7 (B) 3 members appointed by the Speaker
8 of the House of Representatives.

9 (C) 3 members appointed by the majority
10 leader of the Senate.

11 (D) 3 members appointed by the minority
12 leader of the House of Representatives.

13 (E) 3 members appointed by the Senate
14 Republican Leader of the Senate.

15 (2) QUALIFICATIONS.—Appointments under
16 paragraph (1) shall be made from among individuals
17 who are experts in motor vehicle trade and economic
18 policy, including individuals from organizations rep-
19 resenting United States motor vehicle sector manu-
20 facturers and employees of those manufacturers and
21 from the Federal, State, and local governments.

22 (3) TERMS.—Members shall be appointed for
23 the life of the Commission.

1 (4) VACANCIES.—A vacancy in the Commission
2 shall be filled in the manner in which the original
3 appointment was made.

4 (5) PAY.—Members shall serve without pay.

5 (6) CHAIRMAN.—The Chairman of the commis-
6 sion shall be elected by the members.

7 **SEC. 4. ADMINISTRATIVE PROVISIONS.**

8 (a) STAFF ASSISTANCE FROM FEDERAL AGEN-
9 CIES.—Upon request of the Commission, the head of any
10 department or agency of the United States may detail any
11 of the personnel of that department or agency to the Com-
12 mission to assist it in carrying out its functions under this
13 Act.

14 (b) ADMINISTRATIVE SUPPORT SERVICES.—Upon
15 the request of the Commission, the Administrator of Gen-
16 eral Services may provide the Commission with the admin-
17 istrative support services necessary for the Commission to
18 carry out its functions under this Act.

19 (c) OBTAINING OFFICIAL DATA.—The Commission
20 may secure directly from any department or agency of the
21 United States information (other than information re-
22 quired by any statute of the United States to be kept con-
23 fidential by such department or agency) necessary for the
24 Commission to carry out its duties under this section.
25 Upon request of the Commission, the head of that depart-

1 ment or agency shall furnish such nonconfidential infor-
2 mation to the Commission.

3 (d) REPORT.—Not later than six months after the
4 date on which the initial appointment of the members of
5 the Commission is completed, the Commission shall trans-
6 mit to the President and Congress a report on the activi-
7 ties of the Commission, including the recommendations re-
8 quired under section 3(b)(2).

9 (e) TERMINATION.—The Commission shall terminate
10 on the one hundred and eightieth day following the date
11 of transmittal of the report under subsection (d). All
12 records and papers of the Commission shall thereupon be
13 delivered by the Administrator of General Services for
14 deposit in the National Archives.

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